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TO: Deputy Director (Administration)
FROM: Assistant Deputy Director
SUBJECT: Amendments to Confidential Funds Regulations

I. The Problems

An administrative Task Force has been appointed to study various administrative problems affecting the covert offices and to report its findings and recommendations to a Senior Review Committee, composed of a designated senior representative from each of the administrative and covert offices and Assistants to the Deputy Director (Administration). Among the studies assigned the Task Force were:

- A. Definition of Categories of Covert Employees and Agents.
- B. Clarification of Policy For Annual and Sick Leave of Covert Employees.
- C. Policy Pertaining to Travel and Allowances of Military Personnel.

II. Discussion

On the basis of papers submitted by the Task Force (See Tabs A, B, and C) and after full discussion of the problems, the Senior Review Committee has recommended approval of the amendments to the Confidential Funds Regulations, attached hereto as Tab D. The net effect of the amendments is:

A. To clarify and define the categories of personnel including: staff employee, staff agent, career agent, contract agent, field agent, consultant, and detailed employee.

B. To clarify the regulation and permit leave accumulation for

C. To provide equitable travel and allowance benefits to military personnel assigned and performing duties for CIA equivalent to that paid civilian employees.

III. Recommendations

It is recommended that Tab D be forwarded to the Director for approval.

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Assistant to Deputy Director

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(cont'd.) - Amendments to Confidential Source Regulations

CONFERENCES:

<u>Comptroller</u>	<u>Date</u>	<u>Director of Personnel</u>	<u>Date</u>
<u>General Counsel</u>	<u>Date</u>	<u>Deputy Director (Admin)</u>	<u>Date</u>

Approved

Director of Central
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PART V - PERSONAL SERVICES

8.0 Policy

a. All CIA Staff Employees assigned to the Covert Offices for overseas duty, Staff Agents, Covert Consultants, Covert Details, Career Agents, Agents and certain other Miscellaneous Personnel will be paid from Confidential Funds.

25X1 b. [redacted] employees of CIA, whose duties are such that security considerations warrant such action may be paid from confidential funds with the approval of the Deputy Director (Administration) in conformity with policies established by the Director.

8.1 Definitions

a. A Staff Employee is a citizen of the United States, appointed at United States Government rates of pay to an established position in CIA, which carries with it all rights to annual and sick leave, retirement benefits, and other emoluments of Government employees. For clarification purposes, [redacted] will be included in this category. 25X1C4A 25X1C4A

b. A Staff Agent is an employee who meets the standards for a Staff Employee but performs services under cover and is appointed in pseudonym for security reasons. He is entitled to substantially all privileges of a staff employee, and his conversion to a staff employee is provided for in his appointment action.

c. A Consultant is an individual with special skills, knowledge, or experience, whose advice, assistance and guidance are needed and furnished on an intermittent or temporary basis. For clarification purposes there are two types: (1) An individual appointed in true name; (2) An individual under contract in pseudonym.

d. Detailed Personnel are individuals who have been assigned, attached, or detailed by another Government Agency for duty with CIA.

e. A Career Agent is a person performing operational duties under durable cover, who, although not a Staff Employee of CIA, is by virtue of his contract an employee of the United States Government entitled to injury compensation benefits, creditable Government Service for retirement purposes, and such other benefits as are specified by the contract; his contemplated relationship to CIA is of lengthy

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5.1 e (Continued)

and indefinite duration and the grade level of his employment is stated in his contract. Unlike a Staff Agent, his subsequent conversion to staff employment is not contemplated or provided for in the initial arrangements.

f. An Agent is a person engaged in operational duties, who is not an employee and who is not entitled to tenure, leave or other emoluments, except as specifically stated in the contract, which may be oral or written.

g. Miscellaneous Personnel are individuals performing service and maintenance functions at field stations.

5.2 Appointments and Contracts

a. The Personnel Director is authorized, upon the recommendation of the appropriate Assistant Directors or Staff Chiefs, or their authorized representatives, and subject to determination by the Comptroller that sufficient funds are available, to sign letters of appointment and other appropriate personnel actions and contracts evidencing acceptance of employment by the United States of America as represented by CIA, for staff employees, staff agents, consultants, either ☐ or WOC, and details.

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b. The provisions of CIA Regulation ☐ apply to such appointments and other personnel transactions unless obviously inapplicable. Other aspects of employment will be governed by law, and Agency regulations and policies. Processing will be handled through the Personnel Director or his designees.

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c. The Special Contracting Officer is authorized to execute agreements and contracts with career agents, agents, and, where appropriate, with covert consultants, on behalf of the United States of America as represented by CIA, and to renew, amend and terminate such agreements and contracts, at the request of an authorized official of appropriate Offices. (See Part IX.)

5.3 Salaries and Classification

a. Salaries and grades of staff employees and staff agents of CIA paid from

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5.3 a (Continued)

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b. The service performed by a consultant will be evaluated within the framework of the existing classification structure, as to the relative difficulty, complexity, importance, and individual contribution to the particular project or assignment involved.

5.4 Continuation of Pay and Allowances

a. Regardless of the fact that the Missing Persons Act, 50-USA Appt. 1001-1016, approved March, 1942, and any pertinent amendments thereto may be terminated the original provisions of the Act where applicable, shall be deemed to apply to all CIA Staff Employees and Staff Agents who are paid from confidential funds, and other categories of personnel when the benefits of the provisions of this Act are specifically included in their contract.

b. The authority which is given to the head of the Agency to request final review and make final determination under the Act is hereby delegated to the Personnel Director without the power of re-delegation. Further review will be made in accordance with the provisions of the Act and as otherwise indicated.

5.5 Special Provisions - Lump Sum Leave Payments

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the information and review of the Special Contracting Officer. In lieu of originals, the operational official in Washington is authorized to submit true copies omitting details of identity and substituting pseudonyms or cryptonyms of formal record if considered essential from a security standpoint, prior to review by the Special Contracting Officer.

(3) The functions of the Special Contracting Officer are as follows:

(a) To assist the Operating Offices in the drafting of contracts which will further operational objectives, and at the same time adequately and clearly set forth the mutual obligations of the parties concerned.

(b) To ensure that all contracts conform with express and implied Agency and Operating Office administrative, operational and security policies.

(c) To establish appropriate tickler files by cryptonyms or pseudonyms of formal record.

(d) To review continuously and advise operating officials of the contractual requirements of circumstances necessitating action or requiring contractual revision or amendment.

e. Limitations. Nothing in this regulation will be construed to supersede or repeal the contractual authorities separately authorized in Parts V and VIII of Confidential Funds Regulations relative to personnel actions and supplies and equipments.

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S E C R E T**6.7 Travel and Allowances for Military Personnel**

a. Military personnel attached or assigned to CIA for duty shall retain all monetary rights and benefits which would accrue to them under like circumstances and conditions had they not been assigned to CIA, except that travel, allowances, and related expenses may be paid in accordance with Agency regulations applicable to civilian personnel where such regulations provide substantially similar or greater benefits as the military regulations. (Reference: Part K, Paragraph 8500, Joint Travel Regulations for the Uniformed Services, Effective 1 April 1961)

b. All military personnel will be assigned by the parent service to CIA on permanent change of station orders to Washington or equivalent station, with one exception (See paragraph c below).

c. Standard regulations normally applied to civilian personnel will be applied to military personnel for determination of travel and allowances in addition to the basic remuneration paid by the parent military service. For the purpose of applying this regulation, the total base pay, longevity, subsistence and quarters allowances paid to the military personnel by the parent service will be considered as basic remuneration. Post differentials will not be paid military personnel.

d. In determining the rates of civilian allowances applicable to military personnel the assimilated civilian grades shown below will be used where the allowance is based upon grade, and the basic remuneration applicable to the assimilated civilian grade will be used where the allowance is based upon pay.

Military Grades		Equivalent assimilated civilian Grade-(Allowance purposes only)
Army, Air, & Marines	Navy & Coast Guard	
Col. or higher	Capt. or higher	GS-15
Lt. Col.	Commander	GS-14
Major	Lt. Commander	GS-13
Capt. & CWO (4)	LT. & CWO (4)	GS-12
1st Lt. & CWO (3)	LT. (JG) & CWO (3)	GS-11
WO (2)	WO (2)	GS-10
2nd Lt. & WO (1)	Ensign & WO (1)	GS-9
M/Sgt.	CPO	GS-8
Sgt/1	PO/1	GS-7
Sgt.	PO/2	GS-6
Corp.	PO/3	GS-5
Pvt. (3 grades)	Seaman (3 grades)	GS-4

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f. In addition to the allowances outlined above, Assistant Directors may grant special allowances or authorize reimbursement to military personnel to compensate them for unusual or extraordinary expenses incurred because of security or operational requirements made upon the individual by CIA. Such expenses may include, but are not necessarily limited to, the initial purchase of formal or otherwise uncommon civilian clothing for officers and the granting of clothing allowances to enlisted personnel. The minimum accounting required for payment of such allowances shall be a positive certification by the individual that the amounts claimed were actually and necessarily expended for the purposes authorized.

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